

EXHIBIT 12

**THE CITY OF NEW YORK
DEPARTMENT OF TRANSPORTATION
DIVISION OF FRANCHISES, CONCESSIONS, AND CONSENTS**

**REQUEST FOR PROPOSALS FOR A FRANCHISE TO INSTALL, OPERATE AND
MAINTAIN BUS STOP SHELTERS, SELF-CLEANING AUTOMATIC PUBLIC
TOILETS AND PUBLIC SERVICE STRUCTURES AND TO INSTALL AND
MAINTAIN NEWSSTANDS IN THE BOROUGHS OF THE BRONX, BROOKLYN,
MANHATTAN, QUEENS AND STATEN ISLAND**

**DATE OF ISSUE: 3/26/04
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AUTHORIZED DEPARTMENT CONTACT

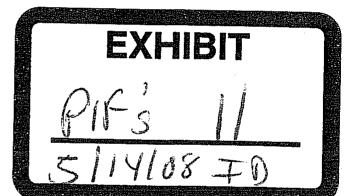
Proposers are advised that the Department's authorized contact person for all matters concerning this Request for Proposals ("RFP") is:

Paul Stanton
Agency Chief Contracting Officer
Department of Transportation
40 Worth Street, Room 1228
New York, NY 10013
Phone: (212) 442-7749 Fax: (212) 442-7449

The New York City Comptroller is charged with the audit of contracts in New York City. Anyone who believes that there has been unfairness, favoritism, or impropriety in the proposal process should inform the Comptroller of the City of New York, Office of Contract Administration, One Centre Street, Room 835, New York, NY 10007 (212) 669-3000.

Michael R. Bloomberg
Mayor

Iris Weinshall
Commissioner



Request for Proposals for a Coordinated Street Furniture Franchise

**REQUEST FOR PROPOSALS FOR A COORDINATED
STREET FURNITURE FRANCHISE****TABLE OF CONTENTS**

SECTION I	SUMMARY	1
SECTION II	SCOPE OF SERVICES	
A. GENERAL INFORMATION	3	
B. BUS STOP SHELTERS	8	
C. AUTOMATIC PUBLIC TOILETS	10	
D. NEWSSTANDS	11	
E. PUBLIC SERVICE STRUCTURES	13	
F. REVENUE OPPORTUNITIES	14	
G. SITE SELECTION AND CONSULTATION	16	
H. RESPONSE TO COMPLAINTS AND REQUESTS FOR REMOVAL	17	
SECTION III	PROPOSAL PROCEDURES AND REQUIREMENTS	
A. PROPOSAL PACKAGE	18	
B. PROPOSAL PACKAGE SUBMISSION REQUIREMENTS	22	
C. PROPOSAL EVALUATION PROCEDURES	23	
SECTION IV	GENERAL INFORMATION	
A. STATUS OF INFORMATION	27	
B. COMMUNICATION WITH THE DEPARTMENT	27	
C. PROPOSER INQUIRIES	27	
D. ADDENDA TO THE RFP	27	
E. PREPROPOSAL CONFERENCE	28	
F. LOCATION LISTING	28	
G. MODIFIED PROPOSALS	28	
H. WITHDRAWAL OF PROPOSALS	28	
I. LATE PROPOSALS AND MODIFICATIONS	29	
J. CONFIDENTIAL AND/OR PROPRIETARY INFORMATION	29	
K. COSTS INCURRED BY PROPOSERS	29	
L. SUPPLEMENTAL INFORMATION, PRESENTATIONS AND DEMONSTRATIONS	29	

Request for Proposals for a Coordinated Street Furniture Franchise

TABLE OF CONTENTS, continued

M. NEGOTIATIONS, BEST AND FINAL OFFERS	30
N. PROPOSER ACCEPTANCE OF RFP AND FRANCHISE PROVISIONS	30
O. FRANCHISE CONTRACT AWARD	30
P. DETERMINATION OF PROPOSER RESPONSIBILITY	30
Q. RFP POSTPONEMENT/CANCELLATION	31
R. COMPLAINTS	31

APPENDICES

Appendix 1: Authorizing Resolution	32
Appendix 2: Summary Chart	41
Appendix 3: Siting Criteria	42
Appendix 4: Proposal Cover Sheet	48
Appendix 5: Cash Flow Analysis	49
Appendix 6: Affirmation	56
Appendix 7: Acknowledgment of Addenda	58
Appendix 8: Proposal Package Check List	59
Appendix 9: MacBride Principles	60
Appendix 10: Investigation Clause	63
Appendix 11: Proposer's Affidavit	65
Appendix 12: Newsstand Interior Design Criteria	67
Appendix 13: Newsrack Criteria	68

Request for Proposals for a Coordinated Street Furniture Franchise

SECTION I -- SUMMARY

The City of New York, acting through its Department of Transportation ("Department"), invites all qualified firms to submit Proposals for a twenty (20) year Franchise Contract for the installation, operation and maintenance of Bus Stop Shelters ("Shelters"), self-cleaning Automatic Public Toilets ("APTs") and Public Service Structures ("PSSs") and the installation and maintenance of Newsstands (collectively "Franchise Structures") and the display of advertising thereon. The City seeks Proposals that demonstrate excellence in the design, installation, operation and maintenance of Franchise Structures that are clean, safe, and attractive, in convenient locations to serve the needs of residents and visitors.

This Request for Proposals is made pursuant to a City Council Authorizing Resolution (Appendix 1) authorizing the grant of non-exclusive franchises to install, operate and maintain Bus Stop Shelters, Newsstands, APTs and PSSs. Pursuant to this authority, the Department is seeking Proposals for a Franchise that will provide for excellence in design, installation, operation and maintenance, as well as the following:

- The installation and maintenance of a minimum of 3,300 Bus Stop Shelters, with amenities for the public in the form of street identification signage, seating, and public service information. This will require the creation of new designs, and preferably will include the replacement of the existing shelter inventory.
- The installation, operation, and maintenance of a maximum of 20 APTs. The Franchisee will be permitted to collect a minimal fee from the public for the use of the APTs.
- The installation and maintenance of a minimum of 330 Newsstands. The Franchisee will be required to cooperate with the operator of the Newsstand regarding maintenance and repair of the Newsstand structure.
- The installation, operation, and maintenance of PSSs, specifically limited to trash receptacles, multi-rack newsracks and information/computer kiosks that provide access to government or commercial activity. The public service provided shall be immediately apparent to the passerby and shall not be obscured physically or visually by the name or logo of any sponsoring entity. The specific number of PSSs of each type will be determined by the City after the award of the franchise.

The Franchisee will also be responsible for maintaining one existing City-owned pedestrian information kiosk.

The design and placement of the Franchise Structures shall reflect the following goals:

- In order to minimize impacts on pedestrian circulation and the visual character of the streetscape, the footprint and height of the Franchise Structures shall be kept as small as possible consistent with their function and other requirements.
- In order to reduce physical and visual clutter on sidewalks, Proposers are encouraged to incorporate elements such as telephones, information/computer kiosks, trash receptacles and multi-rack newsracks within or on the Franchise Structures.
- In order to maximize pedestrian circulation and clear paths, Franchise Structures shall be aligned with adjacent existing elements on the sidewalks to the extent possible.

Request for Proposals for a Coordinated Street Furniture Franchise

The Franchisee will be permitted to display advertising on the Franchise Structures subject to specific criteria and limitations as more fully described below.

Compensation to be paid to the City will be the greater of (a) a percentage of gross revenues derived by the Franchisee as a result of the installation of the Shelters, APTs and Newsstands and the display of advertising thereon or (b) a guaranteed minimum annual amount. Compensation will be increased or reduced by a fixed amount for each PSS installed at the direction of the Department. Proposals shall include a proposed percentage of gross revenues, a proposed guaranteed minimum annual amount, and a proposed amount by which compensation will be increased or reduced for a single unit of each type of PSS. The suggested minimum for the proposed guaranteed minimum annual amount of compensation for each year is fifteen million dollars (\$15,000,000).

The Franchise will be required to submit monthly reports of gross revenues, in a format approved by the Department, broken down into categories of income. At the end of each operating year, the Franchisee will be required to submit a detailed income and expense statement for the past year's operation.

By submitting a Proposal, Proposers understand and accept that at a minimum the terms and conditions in Resolution No. 1004 adopted by the New York City Council on August 19, 2003, will become part of any Franchise granted.

On Tuesday, April 27, 2004 at 10:00 a.m., the Department will conduct a Preproposal Conference to provide an opportunity for interested parties to ask questions regarding the RFP. The Conference will be held at 40 Worth Street, Room 814, New York, NY.

Proposals are due on **Wednesday, June 30, 2004, at 2:00 p.m.**, and must be submitted in accordance with the Proposal Package Submission Requirements contained herein.

Request for Proposals for a Coordinated Street Furniture Franchise

SECTION II -- SCOPE OF SERVICES**A. GENERAL INFORMATION****1. Design**

The Coordinated Street Furniture Franchise is an important new initiative for the City of New York. Its primary goals are to augment and significantly improve the appearance and quality of the largest items of furniture in our streets.

Designs must achieve aesthetic excellence. They must be compatible with a wide variety of built contexts and must conform to a citywide coordinated design scheme. Designs for the different types of Franchise Structures must be coordinated so that within any one area there is a harmonious relationship between the various items of street furniture.

Designs will be evaluated on the basis of functional efficiency, aesthetics, security, durability, adaptability for various built environments around the City, including historic districts and individual landmarks, and accommodation of people with disabilities. All designs are subject to the approval of the Department.

For each type of standard Franchise Structure (Bus Stop Shelter, Newsstand, Automatic Public Toilet and Public Service Structure meeting non-pillar dimensional criteria), Proposers must submit two basic designs. The first design shall be suitable for deployment, in the case of Bus Stop Shelters, throughout the City and, in the case of other Franchise Structures, in medium and high-density mixed-use environments. Proposers are required to show how each of these basic designs can be varied to suit specific contexts. This might be achieved, for example, through alternative shapes or forms for component parts, alternate materials, and/or varying the color of applied finishes. The second design for each type of standard Franchise Structure shall be appropriate for use within districts that are designated historic districts or in front of individual buildings that are designated New York City Landmarks. These designs may also be deployed on a limited basis in other locations. Some degree of variation in these basic designs is also required. Any designs for pillar structures shall be additional to the basic designs specified above.

Bus Stop Shelters and Newsstands must be available in several sizes and configurations to meet the constraints imposed by various street conditions and users' needs as specified below. The maximum dimensions of each of the Franchise Structures is described below and summarized in Appendix 2. A list of current locations is available upon request from the authorized Department contact.

All components of the Franchise Structures must be fabricated of high quality, durable, maintainable and vandal-resistant materials. To the maximum extent feasible, all surfaces of the Franchise Structures that are accessible to the public must be graffiti-resistant. Adequate illumination of the Franchise Structures and adjacent sidewalks must be provided. Proposers are encouraged to include the use of independent power sources, such as solar energy, as an alternative to connecting by underground conduit to the local utility.

Request for Proposals for a Coordinated Street Furniture Franchise

Plans may also allow for the possibility of inclusion of public pay telephones in or on all the Franchise Structures except PSSs. (Additional franchise authority from the Department of Information Technology and Telecommunications will be required to provide public pay telephone service at such telephones.)

The design and placement of the Franchise Structures will be subject to the review and approval of the Art Commission and the Landmarks Preservation Commission, to the extent required by law. All Franchise Structures must be accessible to people with disabilities, and the Franchisee will be required to comply with the Americans with Disabilities Act and any additional federal, state, and local laws relating to accessibility for people with disabilities as applicable. The Franchisee will be required to comply with all New York City laws, rules and codes related to materials and construction.

2. Build-out

The Franchise Structures shall be installed in such locations as directed by the Department in accordance with the consultative process and the siting criteria specified below in Section G and in Appendix 3, respectively.

The Franchisee shall comply with all applicable sections of the building, plumbing and electrical codes of the City of New York, obtain any required permits from the appropriate City agency, and pay any required fees. Where the work to be done in connection with the installation, operation, maintenance, repair, removal or deactivation of the Franchise Structures requires that such work be performed by a plumber or electrician, the Franchisee shall employ and utilize only licensed plumbers and/or electricians. Quality workmanship shall be employed at all times. State-of-the-art construction methods and building materials must be integrated into the Franchise Structures as they become available. After the installation or removal of any Franchise Structure, the sidewalk immediately under or adjacent thereto shall be restored to its proper condition by the Franchisee at the Franchisee's sole expense.

The design and placement of the Franchise Structures shall not result in an installation that causes the destruction or damage of any part of a Sidewalk or Historic Pavement. This shall not preclude the Franchisee from installing a Franchise Structure, including appurtenant utility connections, on a Sidewalk or Historic Pavement by any means necessary. Prior to any such installation, the Franchisee shall be required to:

- a) post a performance bond adequate to protect the adjacent property owner against any loss related to the condition of the Sidewalk or Historic Pavement that may be occasioned by the installation, operation, maintenance or removal of a Franchise Structure; and
- b) make a good faith effort to procure sufficient quantities of those materials of which the Sidewalk or Historic Pavement is comprised to repair, replace, or restore it to its original condition.

In the event that the placement of any Franchise Structure results in damage to the Sidewalk or Historic Pavement, such sidewalk or pavement shall be restored to its original condition at the sole expense of the Franchisee, using in-kind materials.

Request for Proposals for a Coordinated Street Furniture Franchise

The Franchisee will be required, at a minimum, to adhere to the following build-out schedule:

	Shelters	APTs	Newsstands	PSSs
Year 1	550	10	110	***
Year 2	550	10	110	***
Year 3	550	--	110	***
Year 4	550	--	***	***
Year 5	550	--	***	***
Year 6	550	--	***	***
Years 7-20	***	--	***	***

*** Additional structures as directed by the Department.

Proposals at a minimum must reflect the above build-out schedule. Proposers are encouraged to provide a more ambitious schedule for any or all aspects of the build-out.

During the term of the Franchise, the Department may direct the Franchisee to remove, replace, and/or relocate Franchise Structures as necessary to accommodate changing conditions or to address security concerns. The Franchisee, at the request of the City, shall be required to remove Franchise Structures which interfere with the construction, maintenance or repairs of public utilities, public works or public improvements, or which the City otherwise deems to be inappropriate at a particular location. At the request of the City, Franchise Structures so removed shall be reinstalled when construction, maintenance, or repairs are completed or relocated to sites approved by the City. Notwithstanding the foregoing, sites for relocation of APTs shall be subject to the approval of the Mayor and the Speaker of the Council. All such removals, reinstallations, and/or relocations shall be accomplished at the sole expense of the Franchisee.

Failure to adhere to the build-out schedule as directed by the Department will be grounds for cancellation of all or any portion of the Franchise Contract.

3. Maintenance and Operation

Maintenance of the Franchise Structures by the Franchisee shall include inspecting, cleaning and removing graffiti from the structures on at least two nonconsecutive days each week (or more frequently, as specified below), timely removal of debris, snow and ice in and around the structures, preventive maintenance and prompt repairs. Snow and ice removal shall include clearing a three-foot access path for wheelchairs and spreading salt, or preferably, a noncorrosive de-icer. The sidewalk immediately under or adjacent to the Franchise Structures shall be maintained in its proper condition or, if necessary, restored thereto at the Franchisee's sole expense. Repairs that are necessary to ensure public safety, as determined by the Department, shall be performed within 24 hours of notification by the Department. The Franchisee shall be responsible for collecting refuse or recyclables from any trash receptacles incorporated within or on Franchise Structures each time the structures are cleaned, or more often as needed. However, the Franchisee shall not be responsible for the collection of refuse or recyclables from freestanding trash receptacles installed as PSSs.

Request for Proposals for a Coordinated Street Furniture Franchise

The Franchise Contract will provide for liquidated damages related to the Franchisee's failure to perform such maintenance to the satisfaction of the Department. A schedule of liquidated damages will appear in the Franchise Contract; liquidated damages will vary, based on the severity of the breach. Repeated failure to perform such maintenance to the satisfaction of the Department may be deemed a default in performance by the Franchisee and grounds for cancellation of all or any portion of the Franchise Contract. The City will have the right to inspect the Franchise Structures and to order compliance with installation, maintenance, operational and repair requirements.

The Franchisee shall also be responsible for acquiring and installing, at its sole expense, hardware and software for a computerized inventory system of the Franchise Structures and sites. This system shall have database, mapping, and graphic capabilities for recording the location, type, design, and features of all installed Franchise Structures and the location, features, and status of proposed sites for Franchise Structures, including sites that have been rejected. The system shall also have the capacity for contemporaneous two-way information sharing between the Department and the Franchisee regarding the installation, operation, and maintenance of the Franchise Structures. The Franchisee shall be responsible for maintaining said system and incorporating state-of-the-art technologies throughout the term of the Franchise. Proposers are encouraged to develop PC-based systems that use or are compatible with standard, commercially available programs. Such system shall be installed and operational at the commencement of the Franchise. On the expiration or sooner termination of the Franchise Contract, the computer system and data shall become the property of the City without compensation to the Franchisee.

4. Ownership of the Structures

The Franchise Structures will remain the property of the Franchisee during the term of the Franchise Contract. On expiration of the Franchise Contract, the Franchise Structures shall become the property of the City without compensation to the Franchisee. Alternatively, the City may elect to have the Franchisee remove any or all of the Franchise Structures and restore their sites to their proper condition, which removal and restoration shall be at the Franchisee's sole expense.

In the event the Franchise Contract is canceled by the Department in whole or in part prior to the expiration date for any reason other than by reason of default of the Franchisee, the City shall have the option to purchase from the Franchisee the then-existing Franchise Structures. The purchase price shall be determined by calculating 100% of the cost of fabricating and installing the structures, less depreciation on a straight line basis using an annual depreciation rate of 10%. The cost of fabricating and installing the structures and the process for determining the installation dates of the Franchise Structures shall be determined during negotiation of the Franchise Contract and shall be included in such contract. Alternatively, the Department may direct the Franchisee to remove any or all of the Franchise Structures and restore their sites to their proper condition, which removal and restoration shall be at the Franchisee's sole expense.

In the event of termination in whole or in part due to the default of the Franchisee, the Franchise Structures shall become the property of the City without any compensation to the Franchisee. Alternatively, the City may direct the Franchisee to remove any or all of the Franchise Structures and restore their sites to their proper condition, which removal and restoration shall be at the Franchisee's sole expense.

Request for Proposals for a Coordinated Street Furniture Franchise

5. Security Fund

Prior to the execution of the Franchise Contract, the Franchisee will be required to deposit with the New York City Comptroller an amount to be determined by the City, which will be not less than five million dollars (\$5,000,000), sufficient to ensure the faithful performance by the Franchisee of all conditions, provisions, and requirements of the Franchise Contract. The Department will be authorized to make withdrawals from the Security Fund should the Franchisee fail to pay the required compensation or taxes. The Department also will be authorized, in the event the Franchisee fails to cure a breach of the Franchise Contract after notice from the Department, to cause the necessary work to be done and collect the cost thereof from the Security Fund. The Department also will be authorized to assess and collect liquidated damages from the Security Fund.

6. Performance Bond

Prior to the execution of the Franchise Contract, the Franchisee will be required to deposit with the New York City Comptroller a surety performance bond in an amount to be determined by the City sufficient to ensure the installation of the Franchise Structures and the faithful performance of all of the terms and conditions of the Franchise Contract, including, but not limited to, the build out obligations set forth in Section II.A.2. This performance bond shall also expressly provide for the in-kind replacement and repair of Sidewalks and Historic Pavement.

A portion of this performance bond may be in the form of cash, and the remainder shall be in the form of a bond, legally executed by a surety company or companies approved by the City of New York and authorized to do business in the State of New York. A portion of the performance bond will be reduced or returned, as the case may be, to the Franchisee upon the successful installation of the Franchise Structures, in accordance with a schedule to be determined in the Franchise Contract. The remaining portion will remain on deposit throughout the term of the Franchise.

7. Liability and Insurance

The Franchisee will be liable for, and shall indemnify, defend and hold the City, its officers, agents, and employees harmless from, any and all claims or damages to persons or property by reason of the installation, operation or maintenance of the Franchise Structures. The Franchisee will be required to procure and maintain, at its sole cost and expense, the following types of insurance from an insurance company acceptable to the City:

- a) Commercial General Liability Insurance in the amount of ten million dollars (\$10,000,000) aggregate and two million dollars (\$2,000,000 per occurrence) in the Company's name, and naming the City, its officers, agents and employees as an additional insured thereunder, and endorsed to cover the liability assumed by the Company.
- b) Workers' Compensation Insurance in accordance with applicable New York State law.
- c) Employers' Liability Insurance in accordance with applicable New York State law.

Request for Proposals for a Coordinated Street Furniture Franchise

- d) Automobile Liability Insurance in the amount of two million dollars (\$2,000,000) aggregate and one million dollars (\$1,000,000 per occurrence) and naming the City, its officers, agents, and employees as an additional insured.

B. BUS STOP SHELTERS

1. Design

The City seeks excellence in the design, installation and maintenance of Bus Stop Shelters.

Bus Stop Shelters must first and foremost provide meaningful protection from precipitation, wind, and sun, and the number and placement of side enclosures shall be sufficient to accomplish this purpose. At the same time, ease of access for both functional and security reasons must be maintained.

The Department strongly encourages innovation and flexibility in Bus Stop Shelter design. The Franchisee will be required to construct shelters in a variety of shapes and sizes to accommodate different street conditions and service needs, including extra-large Shelters for heavily used bus stops and Shelters with shorter and narrower footprints for sidewalks where space is limited in length or in width.

All designs must provide at least the following amenities:

- Adequate illumination of the interior and the adjacent sidewalk.
- Passenger seating which by design precludes reclining and may or may not be installed in every Shelter, but which the City may require to be installed or removed at any time.
- An area or areas on the structure for bus route maps, street maps, bus stop name and street identification, Guide-A-Ride canisters and other information. (Specifications for current bus stop signs and Guide-A-Ride canisters are available upon request from the authorized Department contact.) Bus stop name and street identification shall be back-lit or otherwise illuminated and shall be designed in such a manner to maximize the ability of bus passengers to see such name and identification from the bus as the bus approaches the bus stop.

Proposers are encouraged to propose additional public amenities.

Materials used for the walls of the Shelters must be transparent. The dimensions of structural frames and supports shall be kept at a minimum. In the event that glass is the material proposed for the Shclter walls, an alternative unbreakable and, to the maximum extent feasible, scratch-resistant material must also be proposed for Shelters at locations where there is a high incidence of vandalism.

Advertising panels, maps, and signs shall be located so as to minimize their impact on the visibility of adjacent buildings and the interior of the Bus Stop Shelter. They shall not interfere with pedestrian or motorist sight lines necessary for traffic safety.

Request for Proposals for a Coordinated Street Furniture Franchise

The maximum area of the largest Bus Stop Shelter shall be 150 square feet. The maximum length shall be 30 feet; the maximum width, excluding the roof, shall be 5 feet; and the maximum height shall be 9 feet.

2. Build-out

The City seeks a Proposal for a minimum of 3300 Bus Stop Shelters by the end of the sixth year of the Franchise term with options to direct the installation of additional Bus Stop Shelters, to be exercised, if at all, at the sole discretion of the City, but in no event later than the eighteenth year of the twenty-year Franchise. The total number of Bus Stop Shelters will not exceed 3500.

At the commencement of the franchise term, the Franchisee shall take ownership of all existing shelters from the Department. By no later than the end of the sixth year, the entire inventory must conform to the new designs and amenities, preferably through the construction of new Shelters, although proposals to accomplish this through retrofitting of existing shelters of the current design will also be considered. The Franchisee will be required to construct or retrofit at least 550 Shelters per year, as directed by the Department, during the first six years of the term. Said construction and/or retrofitting shall be done in accordance with an annual schedule to be furnished by the Department to the Franchisee. Said schedule shall be designed to afford a fair distribution of new and/or retrofitted Shelters throughout the five boroughs of the City and shall be based upon ridership and boarding data from the MTA New York City Transit and from authorized private carriers.

Shelters will be purchased, retrofitted, or constructed by the Franchisee at its sole expense. The Franchisee will be responsible for all installation costs, including providing the Shelters with electric power.

The Shelters will be located at bus stops where demand for their use is greatest, as determined by the Department following the consultation process described below.

During the term of the Franchise, the Department may direct the Franchisee to remove, replace, and/or relocate Shelters as necessary to accommodate changing conditions or to address security concerns. Such removals, replacements, and relocations shall be accomplished at the sole expense of the Franchisee.

3. Maintenance and Operation

Immediately on the commencement of the Franchise and throughout the Franchise term, the Franchisee will be responsible for the complete maintenance of the entire inventory of Bus Stop Shelters. The maintenance shall include, but shall not be limited to, cleaning, inspecting, and removing graffiti and refuse from the Shelters on at least two nonconsecutive days each week, promptly clearing and removing debris, snow, and ice from the ground in and around the Shelters, repairing or replacing damaged parts within 24 hours of notification by the Department, and preventive maintenance. Snow and ice removal shall include clearing a three-foot access path for wheelchairs and spreading salt or ice remover.

Request for Proposals for a Coordinated Street Furniture Franchise

4. Intelligent Transportation Systems

The successful Proposer will be required to cooperate with the Department, MTA New York City Transit, or other agencies to make the structures available for the installation of wiring and equipment and the ongoing maintenance of Automatic Vehicle Location and Control (AVLC) systems as such systems are developed.

The Franchisee will not be responsible for the acquisition, installation, or maintenance of AVLC equipment or for associated costs. However, the Franchisee, as owner and maintainer of the Bus Stop Shelters, will be required to cooperate in its design, installation, and maintenance. This cooperation will include providing access to the Bus stop Shelters to permit AVLC installation and maintenance, and ensuring that routine maintenance of the shelters does not interfere with the equipment.

The expected dimensions of the video monitors and message signs for the operational test that will involve thirty Bus Stop Shelters are a length of 20.5 inches, a height of 9 inches and a depth of 7.25 inches.

C. AUTOMATIC PUBLIC TOILETS**1. Design**

The City seeks excellence in the design, installation and maintenance of APTs.

Each unit must be accessible to persons with disabilities and must contain a commode; a hand-washing station that provides warm soapy water followed by warm rinse water; toilet tissue and seat cover dispensers; and a paper-towel dispenser or air-drier. Heating, ventilation and lighting systems, including emergency lighting, must be provided. The unit must be designed with the ability to fully and automatically self-clean, deodorize and disinfect the floor, seat, and bowl after every use. All APT units must contain a self-activating warning system that communicates contemporaneously all significant maintenance and operations problems to an operations center. All APT units must provide external indicators informing potential users of whether the unit is available for use.

In addition, every APT unit must provide an emergency alarm system that allows for two-way communication for activation by the user and transmission to an operations center and the Police and/or Fire Department. A smoke and fire alarm system with an automatic door-opening device must be provided. An emergency access portal, in addition to the user door, must be provided to allow access to the interior by police or other emergency services.

All APTs must be equipped with a timing device that will cause the door to open automatically after a fixed period of time, with an audible and visual warning signal to alert the user one minute prior to the door's opening.

The maximum area of each APT shall be 78 square feet. Except for pillar-style (cylindrical) units, the maximum length shall be 12 and 1/2 feet, the maximum width shall be 8 feet, and the maximum height shall be 12 feet. The maximum diameter of pillar-style units shall be 8 feet and

Request for Proposals for a Coordinated Street Furniture Franchise

the maximum height shall be 14 feet. Proposers are strongly encouraged to propose designs that utilize the minimum footprint necessary.

2. Build-out

The City seeks a Proposal for a maximum of 20 APTs by no later than the end of the second year of the Franchise term.

All APT sites shall be selected by the Department following the consultative process described below, and shall be subject to the final approval of the Mayor and the Speaker of the City Council. During the term of the Franchise, the Department may direct the Franchisee to remove or relocate APTs as necessary to accommodate changing conditions or to address security concerns. Sites for relocation of APTs shall be subject to the approval of the Mayor and the Speaker of the Council.

3. Maintenance and Operation

The APTs must be open to the public at least between the hours of 8:00 A.M. and 8:00 P.M. daily unless longer hours are established for a particular site by the Department.

The Franchisee will be responsible for the complete maintenance of every APT installed. This shall include but not be limited to daily visits to each unit to ensure that all systems are functioning properly, that the units are clean, and that all dispensers are fully stocked. In addition, the Franchisee must respond immediately to its self-activating maintenance and operation warning system. Comfortable interior temperature, ventilation, and illumination shall be maintained at all times when the APT is in operation.

D. NEWSSTANDS

1. Design

The City seeks excellence in the design, installation and maintenance of Newsstands.

Newsstands must provide optimum conditions for selling and displaying newspapers, periodicals and convenience items, as well as adequate storage space.

A Newsstand structure may not occupy more than 72 square feet of sidewalk space when in operation, including all necessary doors, screens, shelves, racks and cases. Each unit must be accessible to persons with disabilities who may operate or patronize the structure. The maximum width shall be 6 and 1/2 feet and the maximum length shall be 14 feet. A Newsstand structure may include a roof overhang extending no more than 3 feet from the front of the stand beyond the maximum footprint, at a minimum height of 7 and 1/2 feet above the sidewalk. Such overhang may extend along the sides of the Newsstand roof a distance of 2 feet from the front of the roof. The maximum height of the Newsstand structures shall be 9 feet. All Newsstands must be designed and built in compliance with the Americans with Disabilities Act. The interior design of Newsstands must reflect the criteria in Appendix 12.

Request for Proposals for a Coordinated Street Furniture Franchise

The majority of the Newsstand structures will be constructed on sites that are currently occupied by existing Newsstands, and in some such instances, sidewalk conditions will prohibit exceeding the existing footprint. Therefore, Proposers must be prepared to construct Newsstands of a variety of shapes and sizes. In the event that a public pay telephone is incorporated in the design of a Newsstand, such telephone shall not be located so as to obstruct or interfere with the front sales area of the Newsstand.

2. Build-out

The City seeks a Proposal for a minimum of 330 Newsstands by the beginning of the fourth year of the Franchise term with an option to direct the installation of additional Newsstands to be exercised at the sole discretion of the Department.

This build-out will include the replacement of approximately 330 existing Newsstands, which are owned and maintained by individual operators. Most of the replacement Newsstands will be installed at or near existing Newsstand sites, except as otherwise provided in section 20-231 of the New York City Administrative Code. Upon notification by the Department, the Franchisee shall also be responsible for dismantling, removing, and, if necessary, disposing of any or all of the existing Newsstand structures.

New Newsstand sites will be determined by the issuance of a license by the Department of Consumer Affairs pursuant to section 20-231 of the New York City Administrative Code.

The Department shall, in its sole discretion, determine the schedule for the construction, replacement and relocation of individual Newsstands, in accordance with the build-out schedule set forth in Section II.A.2 of this RFP. The Franchise Contract shall contain specific time limits for the construction, replacement and relocation of individual Newsstands. The Franchisee shall make every effort to minimize the time a Newsstand is out of operation due to construction, replacement or relocation. Failure to complete the construction, replacement or relocation of any Newsstand within the time specified shall result in the assessment of liquidated damages pursuant to the Franchise Contract.

The Franchisee will be responsible for all installation and costs associated with such installation, except as otherwise provided in section 20-231 of the New York City Administrative Code, including any necessary electric and telephone hook-ups. The franchisee shall be responsible for arranging and paying for the installation of any infrastructure required by the appropriate utility to establish a separate account for the Newsstand operator's usage of electricity at the Newsstand structure.

3. Maintenance and Operation

The Franchisee will be responsible for the maintenance of the exterior of every Newsstand structure that it has constructed and installed throughout the Franchise term. The Franchisee shall be required to cooperate with the operator of the Newsstand regarding maintenance and repair of the Newsstand structure.

The Franchisee will not be responsible for operating the Newsstands or for cleaning their interiors. The Franchisee will not be responsible for the cost of any telephone or electricity use

Request for Proposals for a Coordinated Street Furniture Franchise

by the Newsstand operator, nor for any other utility cost that is not necessary to the Franchise. The Franchisee will not be permitted to derive revenue from the operation of the Newsstands.

E. PUBLIC SERVICE STRUCTURES

Proposals shall include plans for the installation, operation, and maintenance of trash receptacles, multi-rack newsracks and information/computer kiosks that provide access to government or commercial activity. All PSSs shall be installed, maintained, and removed in accordance with all applicable laws, rules, regulations, and guidelines adopted or established by the City. The public service provided shall be immediately apparent to the passerby and shall not be obscured physically or visually by the name or logo of any sponsoring entity.

With the rapid development of information technology, the Department anticipates that opportunities for more advanced types of PSSs will expand after the issuance of this RFP. Additionally, the City's needs in relation to street furniture are likely to change over time. During the Franchise term, the Franchisee may propose to provide additional types of PSSs or may be asked to do so by the Department subject to amending the Franchise Contract. All such changes will also be subject to any applicable public review, including the Uniform Land Use Review Procedure and approval by the Franchise and Concession Review Committee.

The Franchisee will also be responsible for maintaining one existing City-owned pedestrian information kiosk, listed below, in the same manner as the Franchise Structures.

	Street	Cross Street(s)	Corner/Side
Times Square	W 43rd Street	Broadway	NW

All PSSs shall be kept as small as possible consistent with their function.

The maximum area of each Information/computer Kiosk shall be 16 square feet. The maximum length shall be 4 feet and the maximum width shall be 4 feet. An Information/computer Kiosk may include a roof overhang extending no more than 2 feet beyond the maximum footprint on one side of the structure, at a minimum height of 7.5 feet above the sidewalk. No Information/computer Kiosk may exceed 9 feet in height.

The maximum area of each trash receptacle shall be 6.25 square feet. The maximum length shall be 2.5 feet and the maximum width shall be 2.5 feet. No trash receptacle may exceed 4 feet in height. In addition, the maximum size and weight of each trash receptacle shall be subject to the approval of the Department of Sanitation. The Franchisee shall not be responsible for the collection of refuse from freestanding trash receptacle installed as Public Service Structures.

The criteria that regulate multi-rack newsracks are found in section 19-128.1 of the New York City Administrative Code and in section 2-08 of Chapter 2 of Title 34 of the Rules of the City of New York, which are attached as Appendix 13. No multi-rack newsrack shall be higher than sixty (60) inches, wider than ninety (90) inches or deeper than thirty-six (36) inches.

Request for Proposals for a Coordinated Street Furniture Franchise

F. REVENUE OPPORTUNITIES

The primary source of revenue to the Franchisee will be the sale of advertising space on the Franchise Structures. Advertising shall be permitted on the exterior of the structures subject to the conditions specified below. The total maximum advertising area shall be 55 square feet on Bus Stop Shelters and 82.5 square feet on APTs and Newsstands. Advertising on PSSs shall be prohibited except to the extent that the name or logo of a sponsoring entity, not to exceed 2 square feet, shall be permitted on Trash receptacles and Information/Computer Kiosks. The maximum advertising height shall be 7 feet on Bus Stop Shelters and 9 feet on APTs and Newsstands. However, the maximum height of advertising on pillar style APTs shall be 12 feet. No advertising shall be permitted on the exterior of Information/computer Kiosks or Trash receptacles except for the name or logo as set forth above. No advertising, including the name or logo of a sponsoring entity, shall be permitted on the exterior of a multi-rack newsrack. No advertising shall be permitted on APTs in parks; however, advertising may be placed on APTs on sidewalks adjacent to parks. (For informational purposes, a summary chart is provided as Appendix 2.)

Each Bus Stop Shelter may have a maximum of two advertising panels, which shall be located only on Shelter end panels (*i.e.*, panels that are aligned perpendicular to the curb). On Bus Stop Shelters greater than 25 feet in length, the Department may increase the maximum advertising dimensions and number of panels by up to two additional panels of a maximum of 27.5 square feet each, provided these panels are located on Shelter end panels, or one additional panel of a maximum of 27.5 square feet. This increase shall apply to no more than 10% of the total number of Franchise Structures citywide, and to no more than 20% of the total number of Franchise Structures in any one community district.

The Franchisee shall comply with the terms of the Bus Stop Shelter contract in effect at the time with respect to the transition from the existing Bus Stop Shelter Franchise to the Franchise to be awarded pursuant to this RFP. The current Bus Stop Shelter franchise contract provides that in the event the current franchisee has entered into contracts for advertising that is to be displayed after the current franchisee has ceased to operate the shelters, the current franchisee shall retain 16% of the gross revenue from any such advertising that is displayed 90 days or less after it ceases to operate the shelters, but shall not retain any revenue from advertising that is displayed more than 90 days after it ceases to operate the shelters. The revenue to be retained by the current franchisee shall not in any way diminish the revenue to be paid by the Franchisee as compensation to the City. A copy of the Bus Stop Shelter franchise contract may be obtained by calling the Department Contact.

Electronic media (such as “zippers”) will be permitted only on a case-by-case basis and, except for backlighting of printed posters, will be subject to the applicable zoning regulations for property adjacent to the site. Audio advertising will not be permitted. However, an audio component used in connection with an Information/computer Kiosk may be permitted in the sole discretion of the Department.

The display or placement of tobacco advertising shall be prohibited. The advertising of alcoholic beverages shall not be permitted within 250 feet of any school, day care center, or house of worship. Any type of advertising which is false or misleading, which promotes unlawful or illegal goods, services or activities, or which is otherwise unlawful or obscene as

Request for Proposals for a Coordinated Street Furniture Franchise

determined by the Department, including but not limited to advertising that constitutes the public display of offensive sexual material in violation of Penal Law Section 245.11, shall also be prohibited. Any such prohibited material displayed or placed shall be immediately removed by the Franchisee upon notice from the Department.

Consistent with State Law, the Franchisee will also be permitted to charge a minimal fee for the use of the APTs. Proposers are invited to submit proposals for other sources of revenue such as access charges or on-line advertising at Information/computer Kiosks. Any such charge or other consideration will be subject to the approval of the Department.

Public Service Advertisement Space

The Franchisee shall be required to provide space for public service advertisements on the Franchise Structures at no cost to the City. The space provided shall represent a minimum of 2.5% of the total number of advertising panels on the Franchise Structures, which shall be equitably distributed among the various types of Franchise Structures. The installation, maintenance and removal of all public service advertisements shall be performed by the Franchisee in accordance with the same standards and utilize the same materials and methods as are used by the Franchisee for commercial displays.

Marketing Partnership Agreements

Proposers are hereby advised that the City, through its official marketing agency, New York City Marketing Development Corporation (herein "NYC Marketing"), may enter into "Marketing Partnership" agreements. In addition to the 2.5% set aside above, the City reserves 20% of the advertising space on all Franchise Structures for use by the City and its marketing partners at no cost to the City or its marketing partners. Such space shall be distributed fairly throughout the City and shall represent a corresponding percentage of the value of the advertising space citywide. The installation, maintenance and removal of the advertising in this reserved space shall be performed by the Franchisee at no cost to the City or its marketing partners in accordance with the same standards and utilize the same materials and methods as are used by the Franchisee for other commercial displays. The Franchisee shall provide a monthly inventory of the advertising locations set aside for and used by the City for the purpose of certifying compliance with the Franchise Agreement.

The City will also have the yearly option to return some of the 20% in the first and subsequent years of the Franchise Agreement. In the event the City exercises its option in any given year, the compensation for the next calendar year will be increased on a cost per panel basis. Proposers should provide the amount that they will increase compensation to the City expressed as compensation per panel relinquished by the City. Such compensation may be expressed as a uniform value per panel for all locations, or as the value of a panel for specific geographic locations, including borough and any other geographic designation that is matched by a change in the amount of compensation. Each October after the date upon which the Franchise Agreement takes effect, the City will notify the Franchisee whether it intends to exercise this option for the following calendar year and how much space will be returned. The new percentage will take effect the following January and continue until the end of the calendar year.

Request for Proposals for a Coordinated Street Furniture Franchise

Olympics

Proposers should consider that, if the 2012 Olympics or any other Olympics are awarded to New York City:

- (1) The City may require that the Franchisee cease to sell and place advertising on all or some of the Franchise Structures during the Olympic period.
- (2) The City, at its sole discretion, may impose restrictions on the parties who may advertise on the Franchise Structures and/or the nature of advertising that will be allowed during the Olympic period.
- (3) The City or its designated representative for advertising that may be displayed may assume control of advertising sales and placement during the Olympic Period.
- (4) The Franchisee will continue to be responsible to install, maintain and service the Franchise Structures, and the Franchisee will be required to comply with all other terms of the Franchise Agreement except those that are changed by the written directive of the City as reflected in this section of the RFP and the Franchise Agreement.

The Olympic period shall be defined as the period starting four weeks prior to the commencement of the Olympic Games and ending two weeks after the events are terminated.

Proposers should indicate the method by which they wish to be compensated for foregone revenue if the City were to exercise some or all of the provisions described above and in the event that the Franchisee loses advertising revenue as a result of any such actions taken by the City during the Olympic period. An example of such method of compensation would be a pro rata reduction of the minimum payment or percentage of gross revenue payment made to the City based on the reduction in gross advertising revenue realized by the Franchisee when gross revenue to the Franchisee for the Olympic period is compared to a similar historical time period.

G. SITE SELECTION AND CONSULTATION

Sites for Franchise Structures will be selected by the Department in accordance with the criteria specified in Appendix 3.

The Department will adhere to the following consultative process in designating new sites for Bus Stop Shelters, APTs and PSSs:

1. The Department will request recommendations for new sites for Bus Stop Shelters, APTs and PSSs from Council Members, Borough Presidents, Community Boards, Business Improvement Districts (BIDs), and the MTA New York City Transit (for Bus Stop Shelters only.)
2. The Department will review these recommendations and any other suggested sites for compliance with the siting criteria (Appendix 3) and additionally consider the following factors:

Bus Stop Shelters: Ridership figures, transfer points, location of existing shelters, geographic distribution throughout the five boroughs, sidewalk activity, presence of other Franchise Structures on the sidewalk

Request for Proposals for a Coordinated Street Furniture Franchise

APTs: Availability of water and sewer service, public convenience, enhancement of commercial and tourist areas, sites recommended by the Department of Parks and Recreation, geographic distribution, sidewalk activity, presence of other Franchise Structures on the sidewalk.

Public Service Structures: Sidewalk activity, geographic distribution, presence of other Franchise Structures on the sidewalk

3. The Department will distribute lists of proposed sites determined by the Department to be desirable for a 60-day comment period to Council Members, Borough Presidents, Community Boards, other appropriate City agencies, BIDs, the MTA New York City Transit (for Bus Stop Shelters only), adjacent property owners (for APTs only) and any other interested party, including Proposers, if they so request.

4. After consideration of the comments and selection of a Franchisee the Department will choose final sites and notify Council Members, Borough Presidents, Community Boards, other appropriate City agencies, the Franchisee, and any other person who commented on the proposed sites. The sites for installation of APTs shall be subject to the approval of the Mayor and the Speaker of the Council.

5. Newsstands: Newsstands remain a licensed operation so new locations shall be sited in accordance with the provisions of section 20-231 of the New York City Administrative Code and any rules promulgated pursuant thereto.

At least once each year, the Department will request from all Community Boards, BIDs, Council Members, Borough Presidents, and the Franchisee a prioritized list of locations for the placement or removal of Franchise Structures.

The Department may direct the Franchisee to replace Bus Stop Shelters, Newsstands, and PSSs at existing sites, independent of the above consultative process.

H. RESPONSE TO COMPLAINTS AND REQUESTS FOR REMOVAL

Any complaints the Department receives concerning the siting, installation or requested removal of the Franchise Structures shall be responded to by the Department. All Franchise Structures shall contain a conspicuously posted telephone number of a City government office to which the public may direct complaints and comments and instructions for filing a complaint. The Franchisee shall cooperate with the Department in timely responding to any such complaints.

Request for Proposals for a Coordinated Street Furniture Franchise

SECTION III -- PROPOSAL PROCEDURES AND REQUIREMENTS**A. PROPOSAL PACKAGE**

The Proposal Package shall contain the following:

1. Proposal Cover Sheet

The Proposer shall submit a completed Proposal cover sheet (attached as Appendix 4) transmitting the Proposal Package to the Department. The Cover Sheet shall be signed and dated by an individual authorized to enter into a Franchise Contract with the City on behalf of the Proposer. A separate cover sheet shall be completed and submitted for each firm that is a party to the Proposal, *e.g.*, two firms submitting one Proposal as a joint venture.

2. Statement of Qualifications

The statement of qualifications is a presentation of the qualifications and experience of the Proposer's organization and the staff that will be participating in the Franchise Contract. If applicable, a like statement of qualifications shall be included for each firm that is a party to the Proposal or that will provide services associated with this Franchise, *e.g.*, two firms submitting one Proposal as a joint venture or one firm submitting a Proposal that will require subcontracting on a long-term basis to one or more firms. Proposers do not have to be qualified to do business in New York in order to submit a proposal, but will have to be so qualified in order to enter into a Franchise contract.

At a minimum, the statement of qualifications shall include the following:

2.1 Narrative Proposers must provide information regarding their relevant experience and knowledge of street furniture and outdoor advertising media. Each Proposal must include a detailed narrative setting forth the background, experience, and qualifications of the firm(s) and the principals of the firm(s), including a list of previous completed work that is similar or related to that described in the Scope of Services required pursuant to Section II of this RFP. Such information should identify the cities or localities where such services are or have been provided, and should also describe in detail the scope and value of relevant current and past contracts, licenses, franchises and any other agreement. In addition, the Proposer must include information in forms such as video, photographs, etc., to demonstrate its existing structures in operation in other cities or localities.

2.2 References Proposers must provide the names, phone numbers, and addresses of no fewer than five (5) client references, including at least one reference for each contract or license identified in response to the previous section of this RFP. The Department may request additional references for individual members of the project team, including subcontractors.

2.3 Organization Chart and Team Members Proposers must provide an organization outline or chart identifying the names and titles of project team members, reporting relationships within the project team and a resume or summary of qualifications of each team member, including past performance on similar or related projects, and an explanation of the roles that these individuals will have in the fulfillment of the Franchise Contract.

Request for Proposals for a Coordinated Street Furniture Franchise

2.4 Financial Statements Each firm that is a party to the Proposal must submit audited financial statements for its two most recent completed fiscal years. Supporting documentation shall be submitted as requested by the Department.

3. Technical Proposal

3.1 Narrative Each Proposal must include a detailed narrative description of how the Proposer plans to fulfill and, if applicable, exceed the terms and conditions of the Franchise as described in the Scope of Services section (Section II) of this RFP, as well as any commitments to improve design, technology, and/or services during the term of the Franchise Contract. The narrative must describe in detail the Proposer's plans pertaining to design, manufacture, installation, maintenance, and operation of each of the types of Franchise Structures, including proposed time limits for the construction, replacement and relocation of Newsstands. In addition, the narrative must describe the Proposer's plans for administering and marketing the Franchise Structures and the advertising thereon. The narrative must also describe the proposed computerized inventory and information-sharing system, including the operating system, type of computer, data to be entered, and reports to be made available to the Department. The narrative must include a staffing plan for all aspects of the Franchise. Reduced copies of the drawings described in Section 3.2 below may also be included in the narrative.

If the Proposer intends to manufacture and assemble the Franchise Structures in the United States or in the City of New York, the Proposer shall so state in the narrative. Proposers that manufacture and assemble their Franchise Structures in the United States or in the City of New York shall be granted a preference. Any Proposer seeking either preference will state the value of the labor and materials involved in the manufacture and assembly of the Franchise Structures, both in absolute dollars and as a percentage of the overall cost of manufacture and assembly, which the Proposer certifies will be done in the relevant jurisdiction. If the value of labor and materials involved in the manufacture and assembly in the subject locale equals less than eighty percent (80%) of the overall costs, then the Proposer does not qualify for the USA preference. If the value of labor and materials involved in the manufacture and assembly in the subject locale equals less than fifty percent (50%) of the overall costs, then the Proposer does not qualify for the New York City preference. The failure of a Proposer to qualify for either of the above preferences will not preclude further review and evaluation of such Proposer or the award of a Franchise to such Proposer.

3.2 Drawings Each Proposal must include color renderings and drawings of each basic design for each Franchise Structure, as described in the Scope of Services section of this RFP, and for each type of pillar structure, if proposed. The drawings shall show all proposed amenities, all necessary utility and telecommunications connections and all special features unique to that type of structure. Methods by which each basic design can be varied to suit specific contexts shall be indicated by means of notes and/or additional graphic representations.

The drawings required pursuant to this section shall include the following, drawn to a scale of 1 inch to 1 foot (1:12): plan; roof plan; front, side and rear elevations; and transverse and longitudinal sections. In addition, the following detail drawings are required, drawn to scale as appropriate: construction, including the method of mounting the structure to the sidewalk; structural; mechanical; electrical; water and sewer; and telecommunications.

Request for Proposals for a Coordinated Street Furniture Franchise

Maximum drawing size shall be 30 inches by 42 inches. Proposers shall submit two complete sets of drawings mounted on foam-core boards. All dimensions shall be included on the drawings indicating in detail methods of construction and the specific types of materials and finishes to be used, including colors and textures as applicable. Notes shall also confirm that the designs meet applicable code requirements. All drawings shall bear the seal of a Professional Engineer or Registered Architect licensed by the State of New York. Proposers may be required to submit additional items including perspective drawings, model photographs, and samples of materials, as well as additional sets of drawings (including reproducibles).

3.3 Scale Models Each Proposal must include an accurate, realistic model of each of the two basic designs for each type of Franchise Structure, constructed at a scale of 1 inch equals 1 foot (1:12). Each model must show the colors and textures of all proposed materials and finishes as realistically as possible.

4. Cash Flow Analysis Proposers must submit a detailed cash flow analysis itemizing the revenues and expenses anticipated over the term of the Franchise. A form for the cash flow analysis is provided as Appendix 5. Proposers must complete and submit the form provided in Appendix 5. Additional cash flow analyses may also be provided.

5. Compensation Proposal The compensation to be paid to the City each year for the rights granted under the Franchise Contract with respect to Bus Stop Shelters, APTs, and Newsstands shall be a guaranteed minimum annual amount, or a percentage of any gross revenues derived by the Franchisee as a result of the installation of the Bus Stop Shelters, APTs, and Newsstands and the display of advertising thereon, whichever is greater. In the event that the City directs the Franchisee to install PSSs, the compensation shall be increased or reduced by a fixed amount for each PSS installed. The amount of this increase or decrease will likely vary depending on the type of PSS.

The suggested minimum annual compensation for the proposed guaranteed minimum annual amount of compensation for each year is fifteen million dollars (\$15,000,000).

The guaranteed minimum annual amount offered by a proposer may be in the form of all cash or a proposer may offer compensation in the form of approximately eighty percent (80%) cash plus an alternative form of compensation with a value equal to approximately twenty percent (20%) of such guaranteed minimum annual amount.

The preferred alternative form of compensation the City would consider includes, but is not limited to, commercial media outlets such as out-of-home signage (e.g., billboards, stadium signage, transit terminals, street furniture), promotional time on television, promotional time on radio, and web-based advertising. If proposing alternative compensation to cash, the proposal must include the percentage of the compensation, the effective cash value of the alternative(s) offered and an analysis of the valuation in sufficient detail for the committee to determine the value.

The alternative form of compensation offered must have at least the same dollar value at the end of the contract as at the beginning of the contract or the Franchisee will be responsible to make up any shortfall.

Request for Proposals for a Coordinated Street Furniture Franchise

“Gross revenues” shall consist of the sum of any and all user fees and any and all revenues obligated to be paid to the Franchisee, its subsidiaries, affiliates, or third parties as a result of the installation of the Franchise Structures, irrespective of the Franchisee’s ability to collect the revenues. Gross revenues shall be calculated on the basis of the total amounts contracted for by advertisers, telephone service providers, and the like, and shall include any amount received in the form of materials, services or other benefits, tangible or intangible, or in the nature of barter. Gross revenues shall not be subject to any deductions for commissions, brokerage, labor charges, or other expenses.

Proposers must propose all of the following: (a) a guaranteed minimum annual amount of compensation; (b) a percentage of gross revenues to be paid each contract year during the term of the Franchise should the percentage exceed the guaranteed minimum annual amount; and (c) an amount by which the annual compensation will be increased or reduced for each of the three types of PSSs (trash receptacle, multi-rack newsrack, or information/computer kiosk), per unit installed.

A percentage of net receipts will not be acceptable. A preference shall be granted to proposals that provide a greater compensation to the City in the initial period of the agreement provided that the total proposed compensation over the term of the franchise is determined to be in the best financial interest of the City.

The compensation proposal shall be submitted in a separate, sealed envelope clearly labeled “Compensation Proposal.”

Such compensation shall not be considered in any manner in the nature of a tax, but such payments shall be made in addition to any and all taxes of whatever kind or description that are now or at any time hereafter may be required to be paid pursuant to any local, state, or federal law.

The proposed compensation shall be based on an assumption that the City will require the installation of 20 APTs.

6. Required City Documents The following documents shall be completed by each firm that is a party to the Proposal or that will provide services associated with this Franchise, e.g., two firms submitting one Proposal as a joint venture or one firm submitting a Proposal that will require subcontracting on a long-term basis to one or more firms:

6.1 VENDEX Questionnaires Questionnaires required under the City’s Vendor Information System (VENDEX) must be completed by an officer of each business entity that is a party to the Proposal, each principal of every such business entity, and any subcontractors.

6.2 Affirmation The Proposer shall complete and submit the Affirmation attached as Appendix 6 as part of the Proposal Package.

6.3 MacBride Principles The MacBride Principles attached as Appendix 9 must be signed and submitted as part of the Proposal Package and will be included in any Franchise Contract entered into by the Department pursuant to this RFP.